

**FARELLA BRAUN + MARTEL** LLP

Attorneys At Law

Russ Building / 235 Montgomery Street
San Francisco / CA 94104T 415.954.4400 / F 415.954.4480
www.fbm.com**NEIL A. GOTEINER**
ngoteiner@fbm.com
D 415.954.4485

November 24, 2008

*Via E-file*Honorable Howard R. Lloyd
Northern District of California
280 South First Street
San Jose, CA 95113Re: *Coupons, Inc. v. Stottlemire*; Case No. 5:07-cv-03457
Settlement status and time to file answer

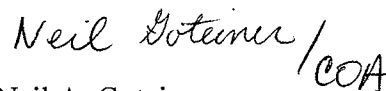
Dear Judge Lloyd:

Coupons regrets to inform the Court that Defendant John Stottlemire breached material terms of the parties' settlement agreement executed during the November 13, 2008 ENE before Mr. Harold McElhinny. Coupons is constrained to proceed with the litigation.

Specifically, within the past several days, and prior to the parties even finalizing the settlement agreement, Stottlemire repeatedly and admittedly breached the terms and spirit of the settlement agreement's confidentiality provision by posting information on his blog that inaccurately characterizes the settlement and improperly discloses material terms of the settlement. He also has provided various interviews to others in the online community in which he similarly disclosed inaccurate information and confidential material terms of the settlement.

Procedurally, Stottlemire's answer was due November 21, 2008. Prior to the ENE he filed a Motion to Extend Time to Answer the Third Amended Complaint. Coupons prepared an opposition to the Motion, but did not file it pending what appeared to be successful negotiations. Coupons now files its Opposition to Stottlemire's Motion.

Sincerely,

COA

Neil A. Goteiner

cc: John Stottlemire (via e-file and U.S. Mail)
22675\1772205.1